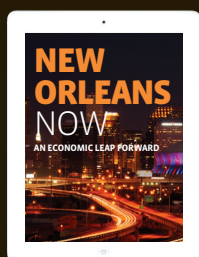




LOUISIANA ECONOMIC QUARTERLY

# NEW ORLEANS NOW

AN ECONOMIC LEAP FORWARD



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GE CAPITAL'S NEW ORLEANS  
TECHNOLOGY CENTER

LOUISIANA'S BOLD  
EDUCATION REFORMS

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## letter from Secretary Moret



**F**rom 1975 to 2005, just before Hurricane Katrina hit Louisiana's coast, New Orleans lost 15 percent of its population while Austin and Raleigh more than doubled in size. Katrina accelerated a downward trend that had begun decades before.

Many people thought the city would never fully recover. Yet what has happened since Katrina is truly remarkable. There is now a growing list of reasons to believe that New Orleans is poised to once again become one of the world's great cities for commerce.

For example, New Orleans has become a national model for effective, innovative education reform; student test scores are soaring. New Orleans recently was selected as the top American city for young entrepreneurs, as a rapidly growing number of start-ups in new industry sectors are thriving. Container volumes at the Port of New Orleans have jumped 50 percent. A multibillion-dollar biomedical district is under construction, anchored by the new university research hospital. Film production and digital media industries are growing exponentially. Moreover, for the first time in decades, the New Orleans area is attracting investments from leading companies around the world, such as Folgers, Gameloft, GE Capital and Nucor.

New Orleans today stands at an inflection point. Twenty years from now, people may look back at this time as one of the most remarkable turnarounds of a major American city. In this special issue of *EQ*, we give you an insider look into the remarkable turnaround under way in New Orleans.

Best regards,

Stephen Moret, Secretary  
Louisiana Economic Development

# ECONOMIC UPDATE

## LOUISIANA'S ECONOMY Q1 2012

### HOUSING



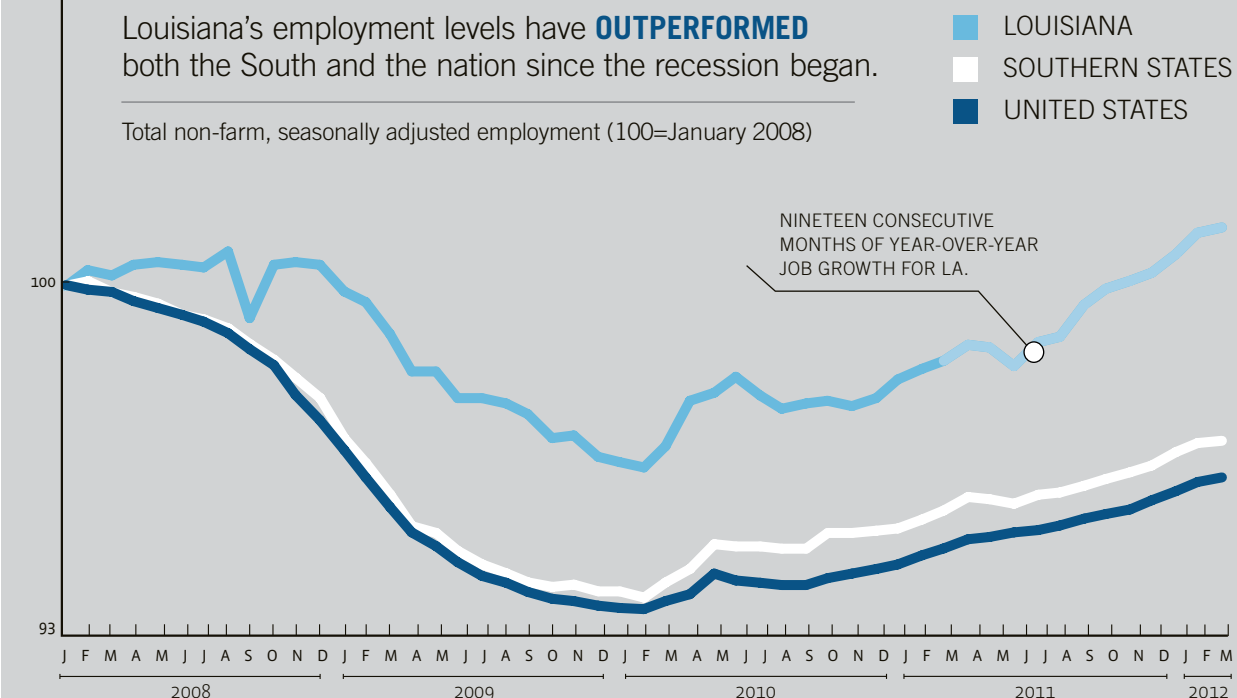
CoreLogic Home Price Index data show that Louisiana's housing prices (excluding distressed sales) **APPRECIATED +2.0 PERCENT** between February 2011 and February 2012, outpacing the U.S.'s -0.8 percent change.

### EMPLOYMENT

At the end of the first quarter of 2012, Louisiana's non-farm employment was **0.9 PERCENT ABOVE** that of December 2007 – the official start of the recession.

Louisiana's employment levels have **OUTPERFORMED** both the South and the nation since the recession began.

Total non-farm, seasonally adjusted employment (100=January 2008)



### BANKING

# 5.9% INCREASE

Louisiana's FDIC-insured institutions reported a **5.9 PERCENT INCREASE** in net loans and leases at the end of 2011, while all U.S. FDIC-insured institutions grew 1.8 percent.

### RANKINGS

# 3rd

For the second year in a row, Louisiana ranked **THIRD** in the U.S. in *Site Selection* magazine's annual Governor's Cup award as measured by per capita economic development project wins in a calendar year.

### UNEMPLOYMENT

March 2012 marked the **25TH CONSECUTIVE QUARTER** that Louisiana outperformed the South and the U.S. with respect to the unemployment rate.







# THE RAILS OF OPPORTUNITY:

Louisiana's Class 1 railways put the world within reach.

In Louisiana, one of just two states where the nation's six Class 1 railways connect, railroad capacity converges to form an unrivaled logistics network. The state's six Class 1 railways join Louisiana's excellent network of interstate highways, its unparalleled port system and the Mississippi River, which serves as a maritime gateway to 35 interior states.

The result is a rich choice of intermodal transportation options and a robust capacity for companies that rely on rail to move their goods across the country and around the globe.

"The state has incredible rail access," said Raquel Espinoza, a spokeswoman for Union Pacific Corp. The rail giant recently announced a \$200 million expansion of its 1,138-mile Louisiana network that will allow it to better serve chemical plants and other customers along the Mississippi River.

Canadian National Railway's 240 miles of track in Louisiana provide access to domestic and global markets for petrochemical manufacturers and other customers through a system that runs from the Gulf of Mexico through Memphis, Tenn., and Chicago, Ill., to northern railways that stretch from Western Canada to the Eastern Seaboard of the United States.

CN's Louisiana assets are critical in providing world access to customers, said company spokesman Patrick Waldron.

Burlington Northern & Santa Fe Railroad's Louisiana lines connect customers to 28 states, two Canadian provinces and ports in the western U.S. The network operated by CSX Transportation in Louisiana includes a major rail yard and intermodal terminal in New Orleans and 140 miles of track.

Kansas City Southern operates 730 miles of track in Louisiana. Its holdings include vital connections in New Orleans with other Class 1 rail carriers and access to the company's cross-border network between the U.S. and Mexico. One of the most significant KCS expansion projects in recent years came in a

joint venture with Norfolk Southern to boost capacity and speed transit times over the line that runs from Shreveport, La., to Meridian, Miss., according to KCS spokeswoman C. Doniele Carlson.

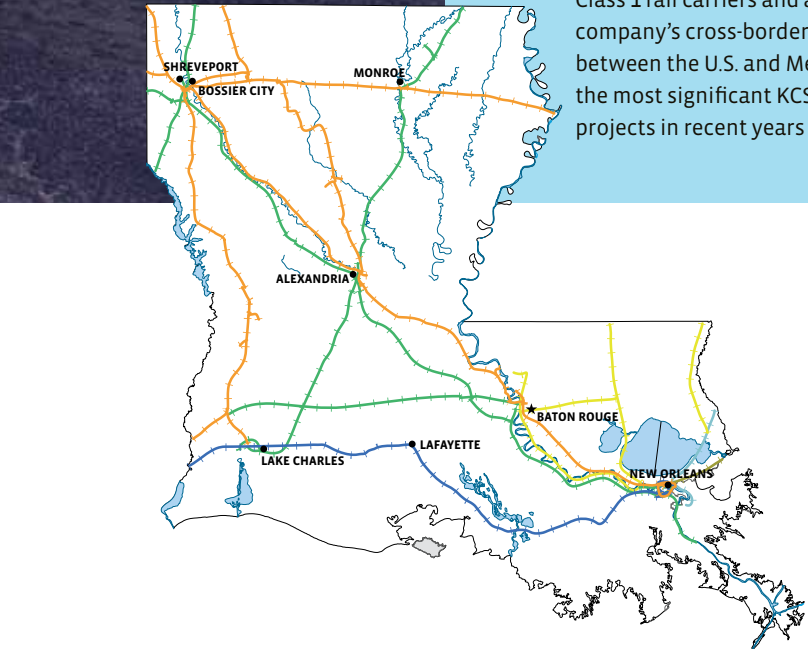
Norfolk Southern's 76 miles of rail in Louisiana enter the state from Mississippi, north of Slidell, La., and run to New Orleans. The system includes a six-mile trestle that spans Lake Pontchartrain and a switching yard in New Orleans. The system connects in New Orleans with other Class 1 railways to provide access to western U.S. markets, and Norfolk's lines also provide service to New England and other destinations in the Northeast.

In a testament to the vital importance of its Louisiana assets, the company moved with unprecedented speed to repair the trestle that crosses Lake Pontchartrain after it was damaged by Hurricane Katrina in 2005.

"It's worth noting that it was rolling again in two weeks' time," said Robin Chapman of Norfolk Southern. **EQ**

# CLASS 1 RAILWAYS

Class 1 railways are regulated by the Surface Transportation Board. The class to which a carrier belongs is determined by comparing its operating revenues – adjusted for inflation using the Railroad Freight Price Index – for three consecutive years. Class 1 rails have operating revenues of \$250 million or more.



- ++++ KCS
- ++++ Burlington Northern & Santa Fe RR
- ++++ Union Pacific
- ++++ Canadian National
- ++++ CSX Transportation
- ++++ Norfolk Southern

# MOMENTUM >>>> LOUISIANA

15 COMPANIES SAY 'YES' TO LOUISIANA



## METHANEX CORP.

**130 NEW JOBS**

In January 2012, Methanex Corp. selected a site in Ascension Parish for a potential methanol production facility in Louisiana. The project would entail relocating one of the company's idle methanol plants from Chile to Louisiana. About six months prior to startup, the project would bring 130 new permanent full-time, high-skill jobs to the state. In addition, approximately 1,500 construction jobs would be generated over two years. After a multistate site selection analysis, Methanex selected Louisiana because of its strong workforce, LED FastStart™ training program, competitive incentives and expedited permitting programs.

"The outlook for low North American natural gas prices makes Louisiana an attractive location in which to produce methanol. It is also a large methanol-consuming region, possesses world-class infrastructure and skilled workers, and is a positive environment in which to do business."

**BRUCE AITKEN**  
Methanex President and CEO

## HOUSTON PLATING AND COATINGS LLC

**120 NEW JOBS, \$35,000 AVG. SALARY, \$9 MILLION CAPITAL INVESTMENT**

In January 2012, Houston Plating & Coatings LLC announced it would invest more than \$9 million in building an 80,000-square-foot facility in Scott, La. A wholly owned division of HP&C, Louisiana Plating and Coatings, will operate the plant. To secure the project, Louisiana Economic Development is providing assistance through the state's Quality Jobs and Industrial Tax Exemption programs. The state and the Lafayette Economic Development Authority are also assisting the city of Scott with a \$920,000 Community Development Block Grant application, which would provide site infrastructure improvements for the project.

"We are excited about the opportunity to offer Louisiana-based companies, especially those in the oilfield service business, the scope and quality of coatings and customer service that they need and deserve."

**WILLIAM HOWARD**  
CEO of Houston Plating and Coatings LLC



## WEST SANITATION SERVICES INC.

**30 NEW JOBS, \$38,000 AVG. SALARY,  
\$1.14 MILLION CAPITAL INVESTMENT**

In January 2012, West Sanitation Services Inc. announced the relocation of its corporate headquarters from California to Baton Rouge, La., and its manufacturing operations from Illinois to Baton Rouge. The moves will bring 30 new direct jobs and an estimated 14 new indirect jobs. West Sanitation chose Baton Rouge over locations in other states because of Louisiana's infrastructure and business climate advantages that would provide opportunities for the company's future growth.



"The Governor's staff and the state and local economic development agencies we worked with showed us our move is appreciated, welcomed and supported. We were courted seriously by other states, but in the end we decided that Louisiana offered the best opportunity."

**BEN ELDER**  
President and CEO of  
West Sanitation Services Inc.



## JELD-WEN INC.

**75 NEW JOBS, \$2.5 MILLION ANNUAL PAYROLL,  
\$120 MILLION CAPITAL INVESTMENT**

In January 2012, JELD-WEN, one of the world's leading manufacturers of windows and doors, announced it will open a \$120 million Winn Parish production facility by the end of 2012. The company plans to create a minimum of 75 new direct jobs, and Louisiana Economic Development estimates the project will result in an additional 117 new indirect jobs. In addition to offering the resources of LED FastStart™, the state secured the project by providing a \$750,000 performance-based Economic Development Award Program grant for site infrastructure. JELD-WEN is also expected to utilize Louisiana's Quality Jobs and Industrial Tax Exemption Program incentives.

"This plant will be the most technologically advanced molded-door-facings plant in the world. The efficiency and quality this plant will deliver and enhance JELD-WEN's global leadership position."

**PHILIP ORSINO**  
President of JELD-WEN Inc.

## GE CAPITAL TECHNOLOGY CENTER

**300 NEW JOBS, \$28 MILLION TOTAL PAYROLL**

In February 2012, GE Capital announced the creation of a major new corporate office in New Orleans. The GE Capital Technology Center, an IT Center of Excellence, will provide software development and IT support for the company's financial services business. Louisiana Economic Development developed a customized incentive package that includes a \$10.7 million performance-based grant, as well as \$500,000 per year for 10 years to fund enhanced software development curricula in New Orleans at one or more Louisiana higher education institutions. These programs will be developed in a collaborative process includes LED, GE Capital and higher education leaders.

"We are proud to be bringing this state-of-the-art facility to one of America's signature cities in a state committed to growth. We look forward to building on GE's already strong presence in Louisiana with these high-wage, highly skilled jobs."

**BRACKETT B. DENNISTON III**  
Senior Vice President and General Counsel of GE







## **NUSTAR ENERGY LP**

### **32 NEW JOBS, \$98,000 AVG. SALARY, \$365 MILLION CAPITAL INVESTMENT**

In February 2012, NuStar Energy announced it will expand the company's St. James Terminal with a \$365 million capital investment. Combined with earlier investments by NuStar and future expansion plans at the site, the company anticipates spending \$505 million on capital improvement projects at the St. James Terminal over a five-year period. The expansion will create 32 new jobs at the facility and an estimated 269 indirect jobs in Southeast Louisiana. To attract the investment, Louisiana Economic Development offered the state's Modernization Tax Credit, which provides a 5 percent refundable tax credit. The company is also expected to utilize the Louisiana Quality Jobs and Industrial Tax Exemption incentives.

"The tax benefits that NuStar will realize as part of this project are just one example of how Louisiana and St. James Parish have helped NuStar's investments become a reality."

**CURT ANASTASIO**  
NuStar Energy CEO



## **PROCTER & GAMBLE**

### **105 NEW JOBS, \$42,000 AVG. SALARY, \$100 MILLION CAPITAL INVESTMENT**

In March 2012, Procter & Gamble completed the expansion of the company's Pineville, La., fabric care facility. The expansion created 105 new direct jobs, and Louisiana Economic Development estimates the project will result in 567 new indirect jobs. The expansion enabled the plant and the company to deliver a new product, Tide Pods, and continues a trend of growth at the Pineville plant. Since 2005, the site has more than doubled its capacity.

"We have been part of the Central Louisiana community for over 40 years and the support of state and local community leadership is outstanding. Our trained local workforce is among the most productive in the world, and we look forward to continued business success."

**BONNIE LEMOINE**  
Procter & Gamble Louisiana External Relations Manager

## **K&B MACHINE WORKS**

### **50 NEW JOBS, \$48,000 AVG. SALARY, \$40 MILLION CAPITAL INVESTMENT**

In March 2012, K&B Machine Works announced a \$40 million capital investment to create a 200,000-square-foot manufacturing and headquarters facility in Terrebonne Parish. The project will create 80 construction jobs averaging \$50,000 in annual pay for the roughly one-year construction term, translating into a \$4 million construction payroll. The upgrade qualifies K&B for Louisiana's Modernization Tax Credit, and the company is expected to utilize Louisiana's Enterprise Zone and Industrial Tax Exemption programs. While remaining in Terrebonne Parish, K&B expects to move from its current Houma, La., location to a 35-acre site in Schriever, La., in early 2013.

"K&B's growth has been a direct result of our dedicated employees and the diverse services that we offer in every division."

**KENNETH WOOD JR.**  
President of K&B Machine Works



## **UNION PACIFIC CORP.**

### **225 NEW JOBS (1,100 RETAINED), \$45,000 AVG. SALARY, \$200 MILLION CAPITAL INVESTMENT**

In February 2012, Union Pacific announced the expansion of its South Louisiana operations, creating 225 new direct jobs, retaining 1,100 employees and creating 1,500 construction jobs. Louisiana Economic Development also estimates the project will result in 502 indirect jobs. The expansion covers multiple projects, including a new support yard in St. James Parish; an additional 29 miles of track from Livonia, La., to Addis, La., providing dual lines for greater capacity; and the addition of more staging slots in Livonia.

The company cited Louisiana's positive business climate for stimulating the growth of Union Pacific's

business as well as that of their customers. Expedited permitting coordinated by state agencies, such as the Department of Natural Resources and LED, also helped make the project possible.

"These investments reflect our commitment to build freight capacity that meets our customers' needs while also promoting jobs and business growth in Louisiana."

**JAMES R. YOUNG**  
Chairman, President and CEO of Union Pacific



## **SAPA EXTRUSIONS**

### **37 NEW JOBS (237 RETAINED), \$31,200 AVG. SALARY**

In February 2012, Sapa Extrusions dedicated an expansion that will grow the company's Northeast Louisiana operations and create 37 new direct jobs, retain 237 direct jobs and generate another 65 indirect jobs. To secure the expansion, Louisiana Economic Development offered Sapa a performance-based grant of \$300,000 from a state Rapid Response Fund to help pay for equipment relocation and infrastructure preparation. The company is also expected to utilize Louisiana's Quality Jobs and Industrial Tax Exemption incentives.

**sapa:**

"The availability of a skilled workforce was key to the decision, along with the reasonable costs associated with the location and the proximity of major shipping lanes such as Interstate 20."

**RON BALLMAN**  
Sapa Delhi Plant Manager





## CLEMENT INDUSTRIES

### 25 NEW JOBS (83 RETAINED)

In February 2012, Clement Industries announced it would expand its business by adding 25 jobs while retaining 83 existing employees. The manufacturer of industrial trailers projects 20 percent sales growth in 2012 beyond the 90 percent increase it experienced in 2011. Clement's goal is to cut its six-month backlog in half through expansion and hiring.

additional welders and welder trainees. To help the company expand, Louisiana Economic

Development will provide customized solutions through LED FastStart™.

"We've invested in our plant and people, we've become a great environment to work in, and we're training toward becoming a world-class manufacturer. From what I have learned about FastStart so far, I'm impressed with the capabilities they have."

**LES QUAY**  
Clement Industries Plant Manager

## AND GLOBAL SERVICES

### 600 NEW JOBS, 1 CAPITAL INVESTMENT

Sutherland Global Services announced the company's Business Process Outsourcing, or BPO, Operations Center, La., through a \$2.9 million investment to build a 40,000-square-foot facility. Louisiana Economic Development estimates the project will create more than 400 new jobs. The company chose the site in Alexandria in part due to the state's LED FastStart™ customized solutions and other incentives. Sutherland Global Services also plans to utilize Louisiana's Enterprise Zone tax credits for the project.

"The combination of the availability of the right skill sets, high-quality infrastructure, and proactive state and city government policies made Louisiana an ideal choice and a worthy addition to Sutherland's world-class global infrastructure and network."

**VELLODI**  
President and CEO of Sutherland Global Services

## PIXOMONDO LLC

### 75 NEW JOBS, \$65,000 AVG. SALARY, \$1.2 MILLION CAPITAL INVESTMENT

In February 2012, Pixomondo LLC announced the creation of a new Pixomondo LLC visual effects studio in Baton Rouge, La., that will create 75 new direct jobs in film, TV and commercial production work. Pixomondo will occupy more than 6,000 square feet at Celtic Media Centre and make an initial capital investment of \$1.2 million. Louisiana Economic Development estimates the project will result in the creation of 49 indirect jobs. The state offered customized solutions from LED FastStart™ to secure the project. Pixomondo is also expected to utilize Louisiana's digital media and film production tax credits and the Quality Jobs Program.

## PIXOMONDO

### VISUAL EFFECTS

"Louisiana offers a very generous production tax credit that we can pass on to our clients to bolster our project load as well as our growing teams in Los Angeles, London and Germany – not to mention China and Canada. Baton Rouge is a beautiful city with a wealth of resources."

**THILO KUTHER**  
CEO of Pixomondo



## TEKNARUS LLC

### 4 NEW JOBS, \$4,000 ECONOMIC GARDENING ASSISTANCE

Teknarus provides high-quality, innovative hardware and software solutions for both the Web and the office. From systems interfacing to email and Web hosting, the Denham Springs, La., company is dedicated to creative and timely service. Through the Louisiana Economic Gardening Initiative, Teknarus received marketing and market analysis, as well as business planning and modeling, to position its products and services for growth in current markets and for expansion to out-of-state markets. The initiative also assisted Teknarus with the development of its existing products for resale nationwide.

"The Economic Gardening Initiative has helped us to uncover several strategies for growing our company. I am excited about our continued partnership with our state and regional economic development organizations that are helping us to implement these strategies and to uncover additional avenues for business success."

**DEVIN ZITO**  
President of Teknarus LLC

## SMS DISTRIBUTIONS

### 10 NEW JOBS, \$12,970 SEBD ASSISTANCE

SMS Distributions, named 2011 Small Business of the Year by the Greater Shreveport Chamber of Commerce, is a facility supply distributor. From first-aid supply cabinets to customized shirts to bulldozers, SMS provides a one-stop shop for all high-level supply services. Setting it apart from competitors, SMS provides 24/7 service, no matter the need or the size of the order. Through the Small and Emerging Business Development Program, SMS is receiving assistance in customizing a QuickBooks system to meet its management needs. Also with assistance and funding through SEBD, SMS is updating its website to include online ordering options for customers.

In addition, SMS is implementing an inventory management software system. SEBD is working closely with the company on the implementation by training staff on the software.

"The SEBD program and its partners have been great in keeping up with us and getting us assistance. With being a small business, grants are always helpful and each one has been a blessing."

**HENRIETTA BOWERS**  
Co-owner of SMS Distributions



# CHOCOLATE INNOVATION FOR THEODENT

A New Orleans biotech firm has created a revolutionary toothpaste with an active ingredient that would make Willy Wonka smile: Cocoa-plant extract prevents cavities by hardening tooth enamel and making teeth more resistant to decay from bacterial acid.

It isn't merely the chocolate connection that makes Theodent™ LLC's toothpaste extraordinary. Theodent Classic paste is the first toothpaste in a century to offer a proven fluoride alternative that hardens teeth and fights cavities.

In January, the company began selling a crystal-mint-flavored Theodent Classic toothpaste at 171 Whole Foods stores across the U.S. and Canada. The dentifrice is also available online at theodent.com, and the company will expand distribution to additional retailers in the coming months. Theodent sells a second toothpaste, Theodent 300, through dentist offices.

Theodent's history reflects a confluence of science and chance. CEO Dr. Arman Sadeghpour was a graduate student at Tulane University when, in collaboration with other Louisiana researchers, he demonstrated the beneficial effect of cocoa extract on human teeth. That discovery formed the basis of Rennou™, the proprietary ingredient in Theodent's toothpaste. All-natural Rennou stimulates the growth of enamel crystals, thereby making teeth stronger and more resistant to decay.

Dr. Tetsuo Nakamoto, Theodent's chief scientific officer and professor emeritus at Louisiana State University's Health Sciences Center, had previously shown the cocoa extract's beneficial effect upon the teeth of laboratory animals. Early on, he saw the derivative's potential as an alternative to

fluoride, the standard ingredient in toothpaste for a century but one that has been linked to human health problems.

Theodent Classic is the first commercial product to emerge from the New Orleans BioInnovation Center, where the company established its headquarters in 2011. Theodent creates its formulation at the biotechnology incubator, but for now the paste is mixed and packaged in an FDA-approved site in Idaho. Sadeghpour said he hopes in time to move product manufacturing to New Orleans.

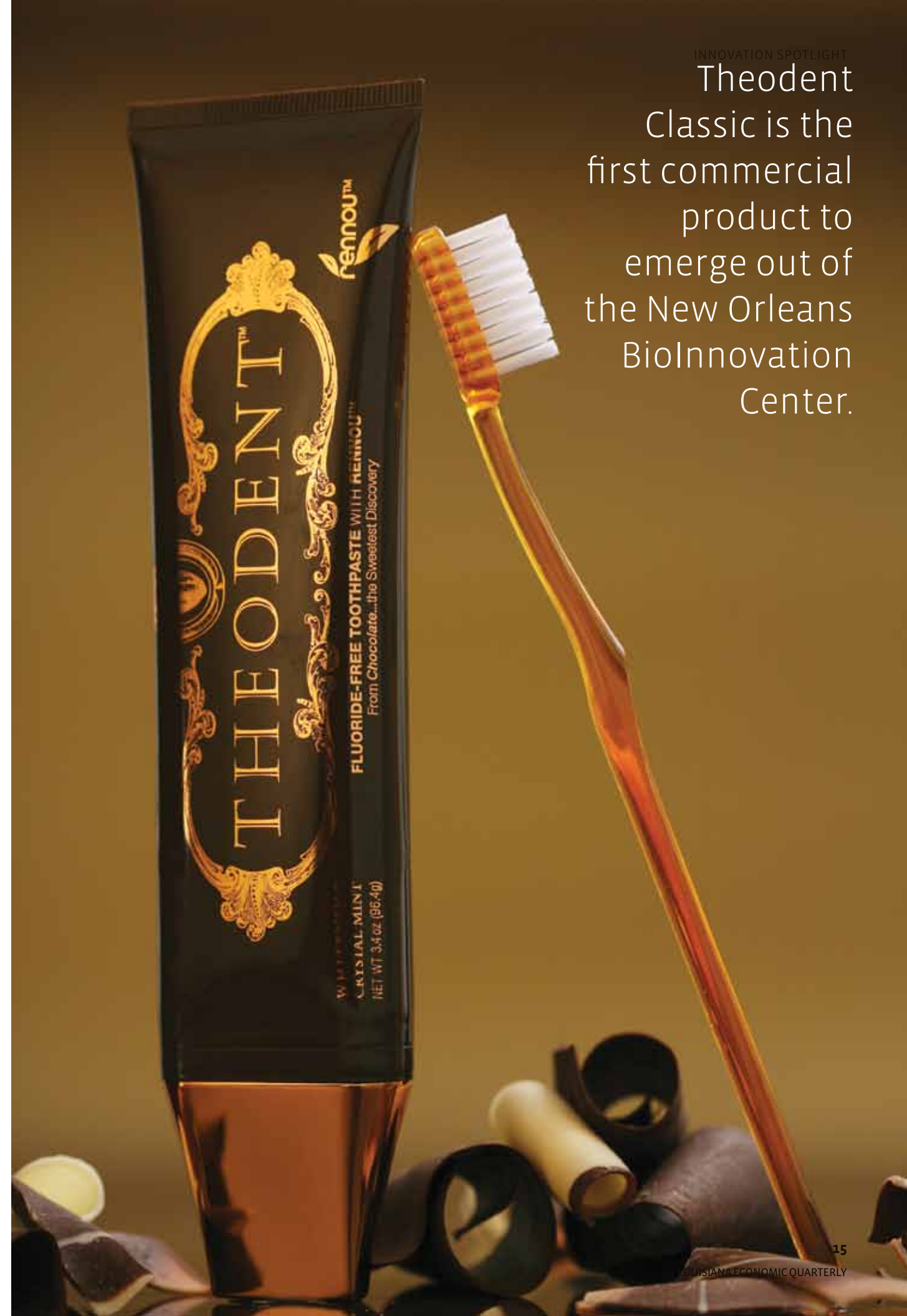
He cited the biotechnology center and Louisiana's Angel Investor Tax Credit program as key benefits to Theodent's emergence. The tax credit was critical in helping the start-up to raise more than \$1 million in 2009. It is now on track to raise more than \$500,000 through a second round of investment, Sadeghpour said.

"The program made a huge difference to us," he said.

Theodent has more innovative plans in store. The company is embracing the characterization of "chocolate toothpaste" and plans to actually introduce a chocolate-flavored paste in late 2012.

"I think we've got the flavoring down," Sadeghpour said. "Kids really want this, and dentists will be happy because it's good for their teeth." **EQ**

Theodent Classic is the first commercial product to emerge out of the New Orleans BioInnovation Center.





# NEW ORLEANS

# NOW

## AN ECONOMIC LEAP FORWARD

- .01 ENTREPRENEURSHIP
- .02 MANUFACTURING
- .03 INTERNATIONAL TRADE
- .04 HEALTH CARE
- .05 EDUCATION
- .06 ENTERTAINMENT
- .07 FLOOD PROTECTION
- .08 QUALITY OF LIFE







GE Capital scrutinized hundreds of cities to find the ideal site for the company's new information technology center. That New Orleans emerged the winner in February 2012 surprised many. But the company had done its homework, and New Orleans was graded as the best location for the 300-job GE Capital Technology Center.

GE Capital, like a growing number of global companies, found energy and promise in New Orleans, which has undergone a major revitalization since the flooding that followed Hurricane Katrina. Yet the New Orleans renaissance goes beyond rebuilding to establishing a transformational culture. The city has become a hive of economic innovation, enabling it to compete with cities like New York, San Francisco and Austin.

The transformation, state and local officials agree, results from several simultaneous factors, including lower operating costs, aggressive state tax credits, exceptional quality of life for young professionals and families, and strong cooperation among city, state and federal leaders. Today, New Orleans offers the attractiveness of a world city on a human scale.

"Companies can come to New Orleans and do better for less than they can in almost any other place in the country," said Michael Hecht, president and CEO of GNO Inc. "We have been building a critical mass of people, talent and cultural excellence, and the world is beginning to take notice."

## NO. 1

**"BRAIN MAGNET"**  
**DECLARED FORBES.COM**

Forbes.com declared New Orleans the No. 1 "brain magnet" in the country in 2011, the same year that *Inc.* named it the Coolest Startup City in America. *Forbes* magazine ranked New Orleans No. 1 in Information Technology Job Growth and No. 2 in Overall Job Growth in 2011, while *Southern Business & Development* magazine awarded New Orleans its Major Market of the Year, in a tie with Charlotte, N.C.

"Companies can come to New Orleans and do better for less than they can in almost any other place in the country."

– Michael Hecht, GNO Inc.

Reuters called New Orleans "Silicon Valley on the Bayou," pointing to positive economic momentum in the tech sector as well as a palpable shift in the way City Hall conducts business. *The Wall Street Journal's* Marketwatch named New Orleans Most Improved City for Business in 2011 in a survey that examined more than 100 metro areas.

## "COOLEST START-UP CITY IN AMERICA"

– *INC.*

At the five-year anniversary of Katrina in 2010, *Forbes.com* ranked New Orleans No. 2 among the Best Big Cities for Jobs, while the Brookings Institution reported entrepreneurial activity in the city was 40 percent above the national average.

"The New Orleans story is a true redemption story," said Hecht. "We're at a point now where we have a multiyear track record of serious business wins, public sector improvements and more dynamic young people than most American cities. Our focus now is on institutionalizing these advantages to ensure this city's long-range ascent."

## NUMBER 1

**INFORMATION TECHNOLOGY  
JOB GROWTH**  
– *FORBES MAGAZINE*



# .01

## ENTREPRENEURSHIP

Immediately after Hurricane Katrina, New Orleans leaders wrestled with recovering essential services while asking key questions about a new New Orleans: Would the city lean on legacy tourism, energy and shipping industries? Or did opportunities exist to reinvent the city, to scrub failed institutions, to become a model for recovery and prosperity?

New Orleans chose both paths, but state and local leaders truly embraced ways to transform New Orleans from a city known for an insular business culture to a place of progress, innovation and transparency, said Michael Hecht, the GNO Inc. CEO.

New state economic development incentives sparked entrepreneurial interest in New Orleans, with young people flocking to the city to participate in the recovery and to join a culture of innovation fueled by The Idea Village and others.

A nonprofit business accelerator, The Idea Village had formed in 2002 to reverse a decades old trend of New Orleans losing talent to Atlanta, Houston, Dallas and other Southern peers. By 2005, the organization had established a structure for problem solvers and big thinkers.

In 2009, The Idea Village debuted New Orleans Entrepreneur Week, which has seen

participation grow yearly to 550 entrepreneurs receiving support from partners like Google and Goldman Sachs at 75 events in 2012. Throughout the week, entrepreneurs pitch ideas honed for a variety of industries and business growth stages.

The most promising entrepreneurs present at IDEApitch, the brainchild of Jim Coulter, a partner of The Idea Village, TPG Capital

“New Orleans is a phenomenal choice.”

Nic Perkin, President of The Receivables Exchange

co founder and one of the world's most recognized investors. IDEApitch gives presenters a chance to impress a panel of prominent venture capitalists. The IDEAcorns MBA Pitch pairs six MBA teams with entrepreneurs to work as a “start up management team” on an intensive, weeklong consulting project.

At Entrepreneur Week, there are companies participating that are at all different stages of growth and are looking for different types of investment, and we're able to help all of them, said Tim Williamson, co founder and CEO of The Idea Village.

Among the brightest New Orleans start up successes is The Receivables Exchange, launched after the storm by former Wall Street executives Nic Perkin and Justin Brownhill. Having created an online platform to trade accounts receivable, they now operate a 70 employee, high tech firm that has drawn investment from NYSE Euronext and venture capital firms. Perkin wanted to create a new kind of business in a location that exuded entrepreneurial spirit. New Orleans, he says, was the ideal place. >>>

**550**  
**ENTREPRENEURS**  
**BENEFIT FROM 75 EVENTS**  
**AT NEW ORLEANS**  
**ENTREPRENEUR WEEK**







“I quickly realized this was a city where we would be able to pull a workforce and have a great cost of living.”

– David Hague,  
Gameloft Studio Manager

You [have] this component of high quality of life ... and you factor in the cost of business space and the cost of living for our team members, and quite frankly, New Orleans is a phenomenal choice, Perkin said.

The rebirth of this state and this city is one of the greatest victories going on in the United States right now. It's the bright light in a country that's having a lot of difficulties.

Other entrepreneurs are committed to remaining and expanding in New Orleans. TurboSquid founders Matt and Andy Wisdom had pioneered an online sales platform for 3D imagery, and their company is now the world's largest broker of downloadable 3D images. Post storm, they centralized operations in New Orleans and have acted as a catalyst for Louisiana's growing digital media sector.

More start-up assets emerged in New Orleans. Launchpad, a co-work space that now hosts more than 50 members, is being replicated in other cities. Voodoo Ventures, an incubator for technology companies, sprang into being. And companies such as Federated Sample, a successful market research technology firm, and Naked Pizza, an international pioneer of healthy pizzas, made New Orleans their headquarters.

The city's comeback unfolded on multiple fronts, from start-ups and job creation to public education and flood control. None demonstrates progress more than the decisions of global companies. GE Capital is a recent win in three years of impressive announcements. The company's early 2012 decision to open a 300 job center of information technology excellence in New Orleans lends global credibility to the region, Hecht said.

GE Senior Vice President and General Counsel Brackett Denniston said New Orleans stood out for several reasons.

When selecting a location for a center of this importance, we considered many attractive options across the country," he said. "Louisiana rose to the top of our list because of the advantages it offers in terms of talent, infrastructure, location and environment.

Six months earlier, Paris-based Gameloft selected New Orleans for a new game development studio that will eventually employ 146. The firm is one of the world's largest publishers of mobile games.

Gameloft Studio Manager David Hague said New Orleans wasn't an original contender, but a visit to the area and a close look at LED FastStart™, the state's acclaimed workforce solutions program, convinced company officials.

Throughout the search process, we went to a lot of the gaming technology hubs," Hague said. "I quickly realized this was a city where we would be able to pull a workforce and have a great cost of living.

In 2010, the satellite voice and data communications firm Globalstar Inc. announced it would move corporate headquarters from Silicon Valley to Covington, La., just north of New Orleans. The company also relocated several other global business units to Covington, including product development, finance, accounting, sales, marketing, corporate communications and customer care.

Relocating to Covington will help dramatically reduce our operating costs as we execute our next generation strategic initiatives," said Globalstar Chairman Jay Monroe.

We are positioning Globalstar for long-term success by lowering our cost of operations, improving revenue growth and speed to market for new products through vertical integration and through the introduction of new and innovative products developed in Louisiana. ■

**NEW ORLEANS** is home to an innovative military community expected to become a national model for the redevelopment of urban bases. **FEDERAL CITY** is a 155 acre redevelopment of a former Naval installation in the Algiers community. As a mixed use development, Federal City will consist of retail space, hotels and 1 million square feet of office space joining the national headquarters of the U.S. Marine Corps Reserve and a regional U.S. Coast Guard center. With a \$150 million state investment, the project already has **RETAINED 1,600 JOBS** and **CREATED 400 NEW JOBS**, with prospects for up to **10,000 JOBS** in the next decade.



# MANUFACTURING

From aerospace to food products, New Orleans has a rich manufacturing history. That foundation, combined with Louisiana incentives and a Top 10 business climate, now is attracting new manufacturing investment. Legacy companies are modernizing local facilities to increase global competitiveness, while new industries are finding a capable workforce and available space in New Orleans.

## NASA'S MICHLOUD ASSEMBLY FACILITY REVEALS THE NEW CULTURE OF MANUFACTURING IN THE REGION

NASA's Michoud Assembly Facility reveals the new culture of manufacturing in the region. For more than 30 years, Michoud has manufactured aerospace systems for human space flight, including external fuel tanks for the Space Shuttle program. When NASA announced that program's end and introduced new space programs requiring less manufacturing capacity, Michoud and the State of Louisiana transformed the facility from a single tenant site to multi-tenant space for advanced manufacturing.

"We found ourselves with space we didn't need, and it evolved into a business model that will help us cover costs by attracting other public and private entities," said former

Michoud Director Steve Doering, who led the three-year transition.

Today, the 832-acre facility continues NASA work, such as development of the Orion crew exploration vehicle, while also housing new advanced manufacturing businesses, the largest of which is Blade Dynamics. An international maker of large wind turbine blades, the company develops more efficient methods of harnessing wind power. Blade Dynamics announced its decision to make Michoud its headquarters in 2010, and the British company is developing wind energy technologies that will lead to 600 new direct jobs by 2015 while resulting in nearly 1,000 new indirect jobs in Louisiana.

Blade Dynamics moved into an 85,000 square foot building to fit its large-scale production needs, but for future tenants Michoud facilities can be built to suit. Other new tenants include B K Manufacturing Inc., which provides products and services for defense and aerospace customers, and Big Easy Studios,

## TOP 10 BUSINESS CLIMATE

part of the wave of film production companies attracted to New Orleans by Louisiana incentives. Because the city has made renewable energy an economic development focus, Blade could be the first of many such projects that find Michoud's adaptable facilities appealing.

For existing manufacturers in Greater New Orleans, state incentives have

provided an opportunity to modernize and expand. NuStar Energy recently invested \$365 million in its St. James Crude Oil terminal, which improves crude oil tank storage capacity at the Mississippi River site. In 2011, international steel manufacturer Nucor broke ground on the first of a multiphase project in nearby St. James Parish. One of the largest industrial projects in Louisiana history, the Nucor plant could result in more than 1,250 new direct jobs, averaging \$75,000 per year, and more than \$3 billion in capital investment. Textron Marine & Land Systems was able to more than double its number of employees and increase its output of armored security vehicles to meet the needs of the U.S. Army.

Folgers and its parent company, J.M. Smucker, invested \$70 million to expand Folgers' facilities in New Orleans, where the consolidated production of three coffee brands – Folgers, Dunkin' Donuts and Millstone – will take place.

Folgers is one of many food manufacturers in the city. In 2011, Zatarain's, the leader in New Orleans-style food products for more than a century, began a \$5 million modernization of its 120,000 square foot plant in Gretna, La., which employs more than 200 people. Reilly Foods, with brands that include Luzianne and Blue Plate Mayonnaise, has been in New Orleans for more than a century. Turnbull Bakeries, which reopened in 2011, is a leading manufacturer of Melba toast and other specialty bread products. ■





## INTERNATIONAL TRADE

New Orleans has a long history of international trade, and its role in the global marketplace continues to expand. In 2011, Louisiana's worldwide merchandise exports increased by 33.3 percent over 2010, a new state record. It ranks seventh in exports in the U.S.

**LOUISIANA  
EXPORTS GREW  
33.3%  
FROM 2010 TO 2011**

Our success is a reflection of cooperation between our great ports and transportation system, our economic development agencies, our agriculture industry and food producers and all the businesses, large and small, which are growing their companies through international trade," said Dominik Knoll, CEO of World Trade Center New Orleans.

The homegrown company Laitram, which manufactures seafood processing systems, has expanded through international markets to include four divisions and 1,550 worldwide employees. Nucor, the global steel manufacturer, chose St. James Parish over other domestic and international sites and will soon produce 2.5 million tons annually of high quality steel products for global markets in the first of five phases of facility construction.

The region's intermodal transportation network posted

recent record numbers and reflects New Orleans' growth as a center of business. Passenger volume at Louis Armstrong International Airport jumped 4.2 percent, which exceeded the Federal Aviation Administration's national growth projection of 3 percent. The airport received notification in 2011 from the U.S. Customs and Border Protection and from Cuban authorities that it was approved for direct flight service to Cuba.

Worldwide companies have selected Greater New Orleans in large part due to its port system. Louisiana's deepwater and shallow draft ports comprise the largest port system in the world – a gateway to 35 interior states through the Mississippi River system and to worldwide markets through the Gulf of Mexico. Two of the country's top ports by tonnage are located in Greater New Orleans, including the Port of New Orleans and the Port of South Louisiana, the number one port in tonnage in the U.S. More than 212 million tons of cargo travels through the Port of South Louisiana annually, including 60 percent of all U.S. grain.

**TWO  
OF THE COUNTRY'S  
TOP PORTS  
BY TONNAGE**

The two thriving ports have seen recent increases in tonnage and are each undertaking expansion projects to encourage continual

**32  
DEEPWATER AND  
SHALLOW-DRAFT PORTS**

growth and productivity. The Port of South Louisiana is engaged in an ambitious growth program to build a new dock, improve infrastructure and absorb the nearby St. John the Baptist Parish Airport.

The Port of New Orleans' container volume has almost doubled in the last five years, the result of increased demand from the petrochemical and agribusiness sectors, said Port of New Orleans Director of Marketing Bobby Landry. New Orleans attracts diverse cargo – from cruise ship passengers to steel and rubber. It is also a world leader in coffee imports, which has helped it to retain global brands like Folgers. The port environs feature 14 coffee warehouses, modern bulk processing operations, more than 5.5 million feet of storage space and six roasting facilities.

In December 2011, the Port of New Orleans received a \$16.7 million U.S. Department of Transportation grant to transform an existing 12 acre rail yard into a modern, intermodal freight rail terminal and construct an adjacent marshalling yard for containerized cargo. It will vastly improve the movement of marine and rail cargo at the port, which is the only deepwater port in the U.S. with six Class 1 railways. ■





Destination health care, which concentrates highly specialized services not commonly available elsewhere and attracts a high percentage of paying patients from outside the state, represents a promising growth opportunity for Louisiana. New Orleans is one of the state's most vibrant hubs for the sector. The city boasts well-regarded medical schools, a renewed emphasis on bioscience startups and more than \$2 billion in hospital construction projects currently under way.

The activity is unfolding in BioDistrict New Orleans, a 1,500-acre area designated by the Louisiana Legislature in 2005. BioDistrict spans the downtown and Mid-City neighborhoods and contains the Tulane University Medical Center, the LSU Health Sciences Center, Xavier University and its exemplary pharmacy program, and the Delgado Community College School of Nursing.

The nation's largest hospital construction projects are under way in the BioDistrict, including the \$995 million U.S. Department of Veterans Affairs complex, which broke ground in February. The VA will specialize in neurology, cardiology and orthopedics. Adjacent to the site, construction began in March on Louisiana's new University Medical Center, a 424-bed teaching hospital and academic medical complex affiliated with LSU. The \$1.09 billion project is scheduled to open in 2015.

Mayor Mitch Landrieu said the University Medical Center will anchor the biomedical corridor.

"We have a unique opportunity to create a new knowledge-based economy and deliver high-quality patient care," Landrieu said. "The UMC, with its new business plan, has the potential to be the largest, most catalytic economic development project in the city's history and will place our city and state at the forefront of innovation and change in America."

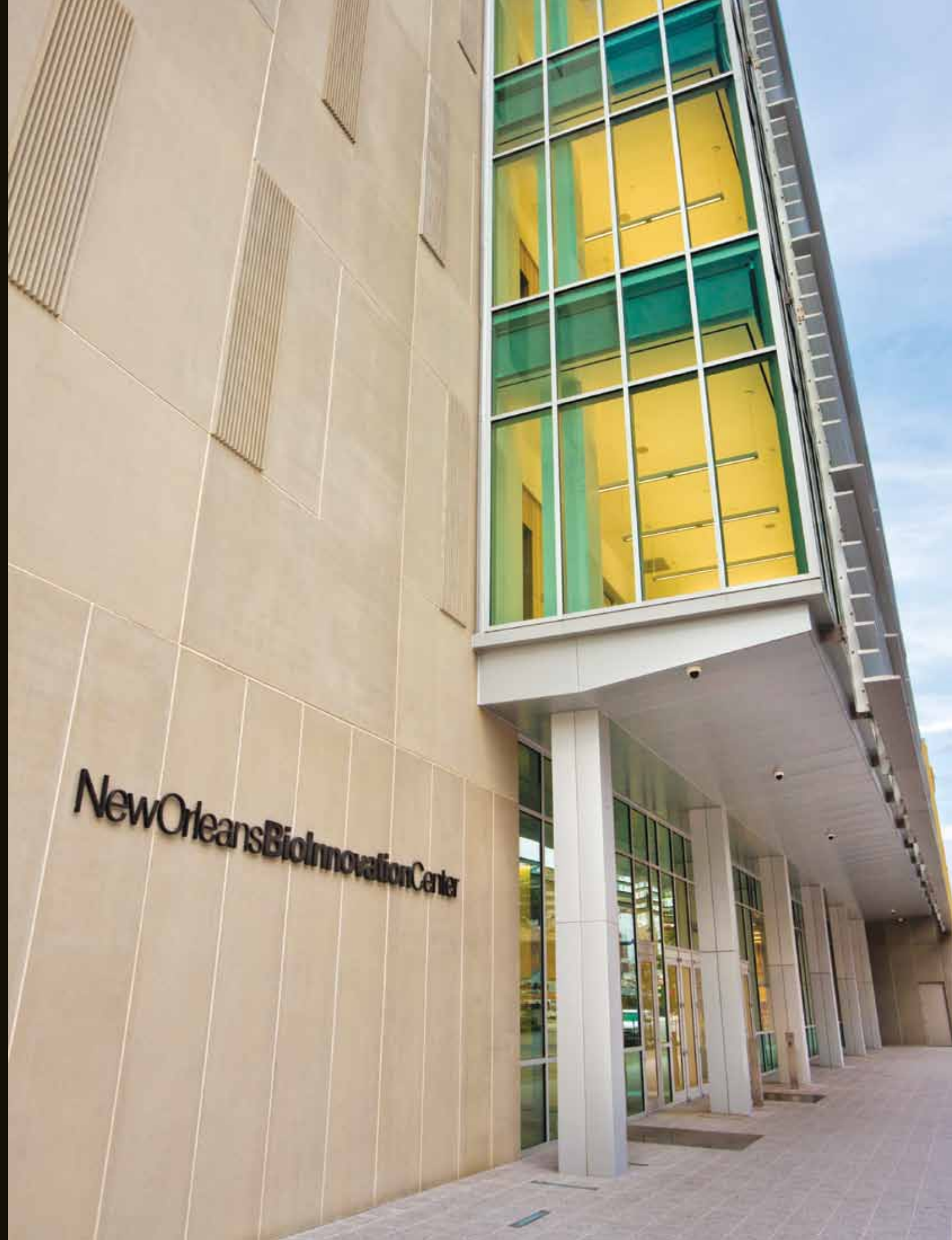
The BioDistrict also includes the Louisiana Cancer Research Consortium's new home, a sleek 150,000-square-foot research center opening in mid-

## The nation's largest hospital construction projects are underway in the New Orleans BioDistrict.

2012 and housing researchers and staff from Tulane, LSU, Xavier, the Ochsner Health System and other institutions that conduct cancer research. Notable breakthroughs by LCRC scientists include pinpointing why prostate cancer disproportionately affects black men. Since 2002, researchers from different institutions have collaborated in the consortium, pooling their research power to build a center of excellence recognized with such institutions as the University of Texas MD Anderson Cancer Center and New York's Memorial Sloan Kettering Cancer Center. The LCRC's long-term goals include elevating research funding, attracting world-class faculty and cementing a National Cancer Institute designation as a comprehensive cancer center.

The 66,000-square-foot New Orleans BioInnovation Center, completed in 2011, helps scientists take commercially viable ideas to the marketplace. The state-funded center includes office space and wet labs for bioscience entrepreneurs and assists with technology transfer and intellectual property challenges.

To attract the thousands required to staff the area's knowledge-based economy, BioDistrict New Orleans pursued progressive design elements in its master plan, such as green housing, a strong tree canopy and thoughtful pedestrian-vehicle balance. ■





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## EDUCATION

Once known for dysfunctional schools, New Orleans has become a dynamic education laboratory recognized by advocates nationwide. About 80 percent of New Orleans students now attend charter schools, giving educators room to innovate and providing parents an uncommon breadth of school choices. Combined with a network of high caliber nonprofits, primary and secondary education in New Orleans offers one of the nation's most promising models for sweeping education improvement.

**82%**  
**OF STUDENTS**  
**SCORING BASIC**  
**OR ABOVE**

The most accurate measure is to simply look at the gains," said Louisiana State Superintendent of Education John White. "The percentage of students scoring basic or above under the Orleans Parish School Board jumped from 43 percent in 2006 to 82 percent in 2011.

Moreover, school performance in New Orleans increased by 18.5 percent from 2005 to 2010, outpacing the overall state gain by two to one. Even New Orleans schools with the poorest records showed significant gains. In 2006, just 23 percent of New Orleans students in the state-run Recovery School District performed at a level considered basic or above. By 2011, that performance increased to 47 percent.

**"No. 1 for School Reform"**

– Thomas B. Fordham Institute

It's really been about pushing empowerment down to parents and educators," White said.

New Orleans aggressively created a new education system now characterized by transparency and innovation since Hurricane Katrina decimated the school system's infrastructure in 2005. The rebuild began when the Recovery School District took over academically failing schools and local leaders charted a new course for the public school system. Collectively, the community saw a rare opportunity for comprehensive overhaul, and well-respected nonprofit leaders landed major national investments.

In 2007, the Eli and Edythe Broad Foundation, the Doris & Donald Fisher Fund and the Bill & Melinda Gates Foundation donated a combined \$17.5 million to significantly expand the work of three New Orleans nonprofits. New Schools for New Orleans received \$10 million to incubate new schools, recruit exemplary educators

and bring to scale promising practices of high-achieving urban charter schools. Teach for America received \$6.5 million to increase its placement of teachers in New Orleans. The New York-based New Leaders for New Schools, which trains talented educators to become principals, received \$1 million to expand its work in the city.

The new education infrastructure helped New Orleans earn the No. 1 ranking in the Thomas B. Fordham Institute's 2010 report, "America's Best (and Worst) Cities for School Reform," which evaluated cities for their ability to create an ecosystem of change that attracts investment and problem-solving.

New Orleans entrepreneurs also are driving the education renaissance. Former Teach for America leader Jennifer Schnidman Medbery developed a software program called Kickboard, which allows teachers to compile data about discipline, one of teaching's biggest obstacles. Placed in dozens of New Orleans classrooms, Kickboard helps teachers save time, measure learning and create a stronger classroom culture. Medbery worked with The Idea Village incubator and the Tulane University School of Business to perfect her business, Drop the Chalk, and to expand it nationally. ■

**18.5%**  
**INCREASE**  
**IN SCHOOL PERFORMANCE**  
**SINCE 2005**

**Push beyond the**

Responsibility – Respect – Achievement – Perseverance – Teamwork





## ENTERTAINMENT

In early 2012, three high profile movies with big name stars began shooting in New Orleans, including Summit Entertainment's hard-boiled *Now You See Me*, starring Morgan Freeman, Jesse Eisenberg and Woody Harrelson; Summit's *Ender's Game*, starring Harrison Ford and based on the popular Orson Scott Card science fiction novels; and *Django Unchained*, a Weinstein Co. feature film directed by Quentin Tarantino and starring Jamie Foxx and Leonardo DiCaprio.

The projects typify the quality of film production for which New Orleans has become known, with the city joining other Louisiana locations as a major hub for the entertainment business.

In 2002, Louisiana pioneered production tax credits to spark the growth of the film industry. Today, the entertainment tax credits apply to motion picture and TV projects, sound recordings, digital media and software development, and live performance production and infrastructure projects.

## FILMMAKERS BUDGETED \$1.4 BILLION IN PROJECT SPENDING IN 2011

Entertainment represented a natural fit for a state known for its creative class and rich music culture. Over the past decade, Louisiana has become the third most popular destination for film production in the U.S., behind California and New York. The number and value of projects continue to climb.

Filmmakers budgeted \$1.4 billion in Louisiana project spending for 2011, up from \$900 million in 2010. In 2009, the state made the entertainment tax credits permanent.

These are tax credits not found anywhere else in the U.S.," said Chris Stelly, executive director of Louisiana Economic Development's Office of Entertainment. "We've created a level of

## THIRD MOST POPULAR DESTINATION FOR FILM PRODUCTION IN THE U.S.

stability here that is very appealing to the entertainment industry.

A variety of film, music and digital companies are flourishing in Louisiana. Supporting those businesses are workforce partnerships with four-year universities and community and technical colleges that develop relevant curricula and training.

While the entertainment industry has enjoyed success throughout Louisiana, New Orleans in particular continues to thrive because of an existing entertainment culture that provides a pipeline of talent for productions, Stelly said.

Even before the incentives, this was a creative destination," said Stelly. "But today, we have several full-service production labs, serious sound and visual effects companies and a lot going on in the city in terms of new investment.

Live entertainment also thrives in New Orleans, due in part to the nation's first incentives for live performance productions and theater infrastructure spending. The restoration of several historic downtown theatres has been completed or is under way, including the Mahalia Jackson Theater for the Performing Arts, the Joy Theater and the Saenger Theatre. Moreover, the tax credits inspired the launch of live performance venues in conjunction with other entities, such as the National World War II Museum's USO-style Stage Door Canteen.

New Orleans has become a serious destination city for entertainment companies of all kinds," Stelly said. "This is an industry that talks, and the word has spread like wildfire. ■







## GREATER NEW ORLEANS HURRICANE AND STORM DAMAGE RISK REDUCTION SYSTEM (HSDRRS) STATUS – APRIL 2012

### ASSESSMENT GUIDE

**100-YEAR RISK REDUCTION ESTABLISHED**

**LOCKS**

**PUMP STATIONS**

**ENGINEERED INTERIM STRUCTURES**

Meets interim design criteria for 2011 hydraulic conditions, to be replaced with features designed for future (2057) conditions.

**1. Jefferson Parish Fronting Protection**

H-Pile and concrete slab in place at Elmwood Canal and Suburban

**2. Permanent Canal Closures and Pumps**

Interim closure structure in place

**3. Seabrook Floodgate Complex**

Sand cell coffer dam in place

**4. Lake Cataouatche Levee Pump Station to Bayou Segnette State Park**

Structural sheetpile (utility) in place

**ENGINEERED CONSTRUCTION CLOSURES**

Rapidly deployed measures. (e.g., sand baskets) use close discrete access points that are under construction, like railroad/highway crossings. May also include Engineered Interim Structures.

**5. Lake Cataouatche Pump Station Fronting Protection**

Sand baskets on the site deployed for storm threats

**6. Bayou Segnette Pump Station Fronting Protection**

Sand baskets on the site deployed for storm threats

**7. Bayou Segnette Complex**

Sand baskets on the site deployed for storm threats

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## FLOOD PROTECTION

The flooding of New Orleans following Hurricane Katrina resulted not from the storm itself, but from an outdated levee system that failed to keep high water at bay. The 2005 catastrophe caused local, state and federal officials to launch a levee system project that would give New Orleans unprecedented protection. The work began shortly after Hurricane Katrina, when the U.S. Army Corps of Engineers began designing and building a \$14.45 billion system capable of defending against a 100-year storm. By March 2012, \$10 billion had been obligated and a majority of the projects completed.

**\$14.45 BILLION**  
RISK REDUCTION SYSTEM

“This is the best risk reduction system that has ever been in place in Greater New Orleans,” said Col. Edward R. Fleming, who commands the New Orleans District of the U.S. Army Corps of Engineers.

The Corps improved virtually every levee, floodwall, pump station and surge barrier in the 133-mile system around the city and its environs. Floodwalls that once rose eight to 10 feet are now 25 to 30 feet high. I-walls have been replaced with heftier T-walls, with bases that boost stability. Moreover, all structures are better integrated, so that each flood control unit on the periphery works harmoniously with those on the interior, Fleming said.

“Now it’s one of the most innovative flood control systems anywhere.”

– Col. Edward R. Fleming, U.S. Army Corps of Engineers

The system features a lengthy list of standout accomplishments in national engineering. It’s the biggest deep-soil mixing project in the U.S., referring to the soil improvement technology used to build retaining walls. One component, the Inner Harbor Navigation Canal Surge Barrier, ranks as the largest surge barrier of its kind in the world and the largest single project ever built in Louisiana. Moreover, the 1,000 truckloads of concrete required by the project represent the largest continuous placement of concrete since the Hoover Dam. The specific areas protected by the project include those hardest hit by Hurricane Katrina, including New Orleans East, Gentilly, the 9th Ward and St. Bernard Parish.

The West Closure Complex, which reduces risk to homes and businesses in three parishes on the Mississippi River’s west bank, including Orleans, features the largest drainage pump station in the world. More than 3 million work hours and counting have contributed to that project.

Fleming says the post-Katrina era requires a many-pronged approach to risk reduction, including working

with insurance companies to ensure that rates reflect updated flood maps. Other strategies include wetlands restoration and helping the public understand and manage personal flood risk.

“Before, the system wasn’t integrated,” he said. “Now you have flood controls and internal drainage working in tandem. We incorporated lessons learned. Now it’s one of the most innovative flood control systems anywhere.” ■

**THE INNER HARBOR NAVIGATION CANAL SURGE BARRIER IS THE LARGEST SURGE BARRIER OF ITS KIND IN THE WORLD**





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## QUALITY OF LIFE

Once known chiefly as a tourist destination, New Orleans has achieved a new reputation among young professionals and families as a great place to live.

Mild weather, generous green space, outdoor activities, cultural attractions that include the National World War II Museum, and distinct Old World architecture help New Orleans stand out among global cities. More than 1,000 restaurants are located in the city, including innovative farm to table eateries working directly with Louisiana's small family farmers and artisan food producers. New Orleans gave birth to jazz, the music genre that forms the backbone of the New Orleans Jazz & Heritage Festival, a family friendly event that spans 10 days and attracts hundreds of thousands of music enthusiasts each spring.

As new companies grow and add staff, they have little trouble convincing professionals to move to New Orleans, said Nic Perkin, founder and president of The Receivables Exchange.

It's not very hard to sell Louisiana to people. The weather's fantastic. The

sports teams are fantastic. The food is fantastic. The music is fantastic. There's not a lot of selling that goes on, Perkin said. "One of the benefits of having a business down here is how eager your customers are to come visit you."

### MORE THAN 1,000 RESTAURANTS

Families have also found New Orleans to be full of refreshing advantages. In 2011, *Parenting* magazine ranked New Orleans the 16th best city in the nation for raising a family, a conclusion based on schools, jobs, crime rates, parks and affordable homes. GNO Inc. CEO Michael Hecht, who has a young family, enjoys showcasing the city's attributes to national executives and managers.

"I constantly have visiting families over to barbecue, introduce them to other young families, and show them how easy and affordable it is to enjoy life here," Hecht said.

Families flock to Audubon Nature Institute sites, which include the Aquarium of the Americas, the Insectarium and the beloved Audubon Zoo, located in a century old park where residents jog, picnic, and play golf and tennis. Across town in the Mid City neighborhood, historic City Park features 1,300 acres of green space and recreational amenities.

New Orleans' close proximity to Louisiana fishing and shrimping means an easy day trip for anglers. The areas surrounding the city also feature numerous wildlife preserves.

Bikers are drawn to the Mississippi River Trail and the Tammany Trace, a 31 mile rail to trail path linking five quaint towns on Lake Pontchartrain's north shore, across from New Orleans. Urban bike friendliness, a litmus test today for progressive cities, has risen dramatically in New Orleans. Seventy miles of bike lanes are in use, under construction or planned – seven times the number in the city before Hurricane Katrina. Those advances prompted the League of American Bicyclists to designate New Orleans a Bronze level bike friendly city in 2011. ■

On virtually every economic measure, New Orleans has hit its highest performance in decades, but the resurgent city continues to climb and has no intention of holding back.

"We don't want to look back on this and say we had a rare opportunity and didn't follow through completely," Hecht said. "Our

job is to institutionalize this way of doing business, broaden the infrastructure that supports innovation, and ensure we are fostering growth long term.

A strong focus on regionalism undergirds the strategy, tapping rich veins of manufacturing and transportation on the river, preserving residential and

recreational meccas throughout the metro area, and building an entrepreneurial community that includes 30 percent more start ups than the national average.

"We're seeing the future being built right now," said Hecht. "There is every reason to believe our progress will continue. **EQ**



# ECONOMIC GARDENING

## LED pilot program targets growth of second-stage entrepreneurial firms



General Hearing Instruments Inc. had copious raw customer data. What the Harahan, La., hearing aid manufacturer did not have was a way to transform the data into meaningful information, something the business needed for a major U.S. retail expansion.

"We're data junkies," said Roger Juneau, president of the 27-employee manufacturer. "But we didn't know how that could help us move forward."

General Hearing got expert advice through a Louisiana Economic Development pilot program that helps established small businesses prepare for growth. LED's Economic Gardening Initiative, launched in late 2011, connects growing firms in target industries to national experts in market research, new media, geographic information systems and business strategy. The program is virtual, meaning meetings and exchanges take place by way of a sophisticated Web portal and a series of conference calls with consultants.

Economic developers traditionally focus on start-ups and recruitment. The breakthrough concept driving economic gardening targets second-stage entrepreneurs by accelerating their access to market information and crucial tools, said John Matthews, LED Entrepreneurial Services executive director.

A similar entrepreneurial program in Florida generated \$6 in tax revenue or other financial returns for every \$1 invested in the program, he noted. LED is certified as a Level I program by the National Center for Economic Gardening and will fund the participation of 33 firms

during the one-year pilot period. All 33 participation slots were filled for the pilot year, with 64 positions scheduled to be available for the next fiscal year.

Louisiana entrepreneurs who have participated in the program describe it as transformative. In General Hearing's case, consultants transformed raw data into detailed customer profiles that will shape advertising and social media messages as the company pursues its retail expansion in coming months. General Hearing already used social media sites, such as Facebook, but economic gardening helped it use the sites to maximum effect, Juneau said.

"It put us on an equal footing with the biggest [hearing aid] companies in terms of understanding our market and how to reach it," he said.

New Orleans-based Petro TV LLC got a similar boost. The digital marketing firm, which provides direct-to-consumer advertising atop gas station pumps, received detailed market analysis to make the medium a more powerful draw to advertisers, said CEO Ethan Cheramie, who estimated the value of what he received free of charge at tens of thousands of dollars.

"It was like having a SWAT team available to assist in core areas," Cheramie said.

Susco Solutions and Touch Studios, sister software companies in New Orleans, benefited from in-depth analysis of competing products, said CEO Neel Sus.

Consultants analyzed competitor strategies for driving customers to websites and provided niche opportunities for Susco and Touch products, Sus said.

"It helped us decide what markets to pursue as we get ready to expand," he said. **EQ**

**i** Information on program eligibility and an online application is available at <https://louisiana.nationalcentreg.org> or by calling David Bennett, 225.342.5882.





# JOHN WHITE

SUPERINTENDENT, STATE DEPARTMENT OF EDUCATION

After serving Louisiana's Recovery School District and promoting innovation in New York City schools, John White became Louisiana's chief executive for primary and secondary education in early January. Together with Gov. Bobby Jindal, he is shepherding Louisiana's boldest education reforms to date, which focus on school choice, teacher effectiveness and administrative flexibility.

**[EQ]** You've crafted school reform in New York and Chicago. In your experience, what works best?

**[A]** Education reforms work when the decision-making power is placed in the hands of folks who are closest to the kids. That can mean teachers working to design or implement curriculum, principals who are empowered to select top staff, or parents who are empowered to select the right school for their children. Reform is about empowerment.

**[EQ]** Louisiana is introducing statewide education policy changes. What will they bring about?

**[A]** They will create an environment of innovation and competition in a way that has not historically existed in public education in this country. And they will empower leaders at the school level to have the right people in front of our kids on a daily basis. These are two critical pieces required to create a foundation for change. Making change without a mindset of innovation, empowerment and competition, without having the right people doing the work every day, is next to impossible. The plan

for education reform in Louisiana goes beyond the legislative package, but without the elements detailed in the package it's hard to make meaningful change.

**[EQ]** What have we learned in New Orleans about school improvement, and how can it be applied statewide?

**[A]** We've thrown out the rules and introduced school choice, competition and innovation close to the kids – that really is the New Orleans model. There is this perception that New Orleans is a poor city and parents send their kids passively to failing schools, and that it is only in other communities where families are involved in their children's education. New Orleans is just the opposite. There is not a more engaged set of parents in education anywhere. In New Orleans, there is both high autonomy and a high level of accountability. It shows in rising test scores.

**[EQ]** How will your department work with business and industry to ensure Louisiana graduates are prepared for 21st-century jobs?

**[A]** Our agency is really a "people development" agency, and our business is developing people for a future that they are able to define. Anyone coming out of school wants to have a great set of professional choices, and we want to make Louisiana a state that, more than any other state, is preparing them well for the other side of 12th grade. Our plan is to respond to what the workforce demand will be and to make sure our students are ready for the requirements of those jobs.





# GAMELOFT

gets off to a  
Fast Start



**G**ameloft, one of the world's leading publishers of mobile video games, began planning a new U.S. site in 2010. The Paris-based company visited several major cities as part of their site selection for a game development studio, and the final stop led to New Orleans.

David Hague, studio manager for Gameloft New Orleans, said the company quickly saw the benefits of moving to the Crescent City because of existing tax credits. Louisiana's digital media incentives, which provide tax credits of up to 35 percent on Louisiana-based payroll, would go a long way toward giving Gameloft a financial edge in the highly competitive video game market. But there was more than money to consider.

"Cost is one thing, but the really important thing behind setting up a new creative studio is making sure that we have the talent," Hague said. Gameloft needed to know that New Orleans could attract top-notch lead programmers and animators over the next decade.

In business since 2000, Gameloft creates interactive entertainment, such as "Splinter Cell" and "Modern Combat," along with titles based on blockbuster movies, such as "Avatar" and "Spider-Man." The company has sold more than 200 million games, at a pace Hague calculates to be three titles per second. And as mobile devices become more prevalent and powerful, Gameloft anticipates business will continue to grow. The company will hire nearly 150 people for the New Orleans studio to help meet the demand.

That's why LED FastStart™ got involved. The State of Louisiana provider, which helps new and expanding companies recruit, train and screen employees, took on those tasks before Gameloft even chose New Orleans. Overnight, LED FastStart launched a custom Gameloft New Orleans website and advertised on social media sites, including Facebook and Web portals frequented by game software professionals. FastStart quickly demonstrated that New Orleans could indeed attract the talent pool Gameloft sought.

We brainstormed ideas to reach out to targeted job seekers, who had the job descriptions that we were looking for," said Jeff Lynn, Louisiana Economic Development's executive director of workforce development programs. "We worked behind the scenes to find out where on social media people who have the behaviors and competencies we wanted hang out.





The recruitment process included placing banner ads on sites to target people who would be a good match for Gameloft. If you had a background in video game programming, a banner ad promoting New Orleans as a fun place to work and live would pop up on your Facebook home page.

“In the first seven weeks, we got 1,350 résumés, which we gave to the Gameloft human resources team to vet,” Lynn said. “Once the Gameloft people went through them, they found that 700 were qualified for jobs.” Lynn said those numbers “blew away” officials with the video game company, who were hoping to get 15 people with the skills they sought.

“For the number of positions that we had posted, 700 applicants is about what we’d expect to find in New York,” Hague said. “So there’s no talent level drop-off or applicant pool drop-off between New York and New Orleans in terms of recruiting people for new positions.”

Of the 30 people who currently work for Gameloft in New Orleans, company officials estimate two-thirds came from the FastStart recruitment effort.

The FastStart campaign was so successful that Gameloft opened its New Orleans office in October 2011, three to four months sooner than anticipated, Hague said. “It took us about eight months to open the studio, and I’ve heard anecdotally that it normally takes well over a year and a half to effectively open a studio and get a project running,” he said.

“There’s no talent level drop-off or applicant pool drop-off between New York and New Orleans in terms of recruiting people for new positions.”

– David Hague, Gameloft Studio Manager

Lynn said that the efforts on behalf of Gameloft have been replicated, most recently for GE Capital, which will open a 300-job technology center in New Orleans. “This proves to other companies that the people are out there,” he said. “You’ve just got to reach them and find innovative ways to do that.” **EQ**

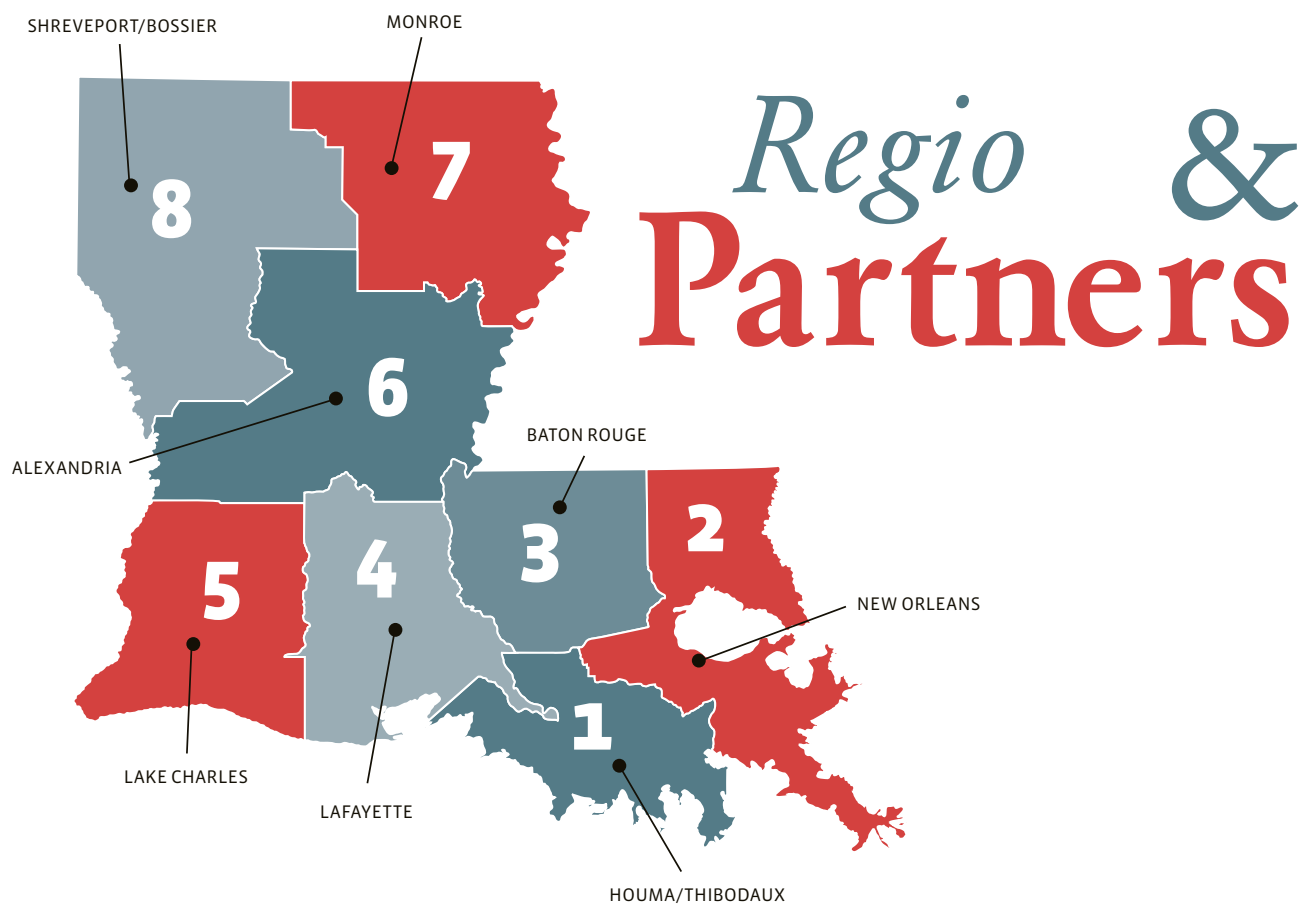


# Louisiana Incentive Snapshot

Economic Incentives for Businesses of All Sizes		
PROGRAM NAME	BENEFIT	ELIGIBILITY (NOT COMPREHENSIVE)
ENTERPRISE ZONE	Tax credit program: provides a one-time \$2,500 tax credit per certified net new job, and either a 4% sales/use tax rebate on qualifying expenses or an investment tax credit equal to 1.5% of capital expenditures, excluding tax exempted items	<ul style="list-style-type: none"><li>• Must create 5 permanent net new jobs with 24 months, or increase existing workforce in 12 months</li><li>• Must hire 35% of new workers from one or more of the four targeted groups</li></ul>
QUALITY JOBS	Cash rebate: provides 5% or 6% rebate on annual payroll expenses for up to 10 years, and either a 4% sales/use tax rebate on capital expenditures or an investment tax credit equal to 1.5% of qualifying expenses	<ul style="list-style-type: none"><li>• Must fall within one of the state’s target industries or</li><li>• Have total annual out-of-state sales of at least 50%</li></ul>
RESTORATION TAX ABATEMENT	Property tax abatement: provides five-year 100% abatement for the rehabilitation of an existing structure based on assessed valuation of property prior to beginning of improvements	<ul style="list-style-type: none"><li>• Must be located in a qualifying district and approved by local governing authority</li><li>• Does not exempt the acquisition cost of the structure</li></ul>
INDUSTRIAL TAX EXEMPTION	Property tax abatement: provides a 100% property tax abatement for up to 10 years on manufacturer’s qualifying capital investments	<ul style="list-style-type: none"><li>• Applies only to capital investments by Louisiana manufacturers</li><li>• Property must remain on the site at all times</li></ul>
RESEARCH & DEVELOPMENT TAX CREDIT	Tax credit program: provides up to a 40% tax credit for Louisiana businesses (based on employment) that conduct research and development activities in Louisiana	<ul style="list-style-type: none"><li>• Must have incurred federal research and development expenses and/or received SBIR/STTR grant(s)</li></ul>
SOUND RECORDING INVESTOR TAX CREDIT	Tax credit program: provides a 25% refundable tax credit on qualified expenditures for sound recording productions	<ul style="list-style-type: none"><li>• Must spend at least \$15,000 in Louisiana</li></ul>
DIGITAL INTERACTIVE MEDIA AND SOFTWARE INCENTIVE	Tax credit program: provides a 25% tax credit on qualified production expenditures and a 35% tax credit for Louisiana resident labor expenditures	<ul style="list-style-type: none"><li>• Must be a digital interactive media production in Louisiana</li><li>• Excludes largely static Internet sites and products regulated under the Louisiana Gaming Control Law</li></ul>
MOTION PICTURE INVESTOR TAX CREDIT	Tax credit program: provides a tax credit of 30% on qualified production expenditures and an additional 5% tax credit for Louisiana resident labor expenditures	<ul style="list-style-type: none"><li>• Must spend at least \$300,000 on motion picture production in Louisiana</li></ul>
MUSICAL & THEATRICAL PRODUCTION TAX INCENTIVE	Tax credit program: provides a tax credit of up to 35% on qualified production or infrastructure development expenditures; additional credits available for payroll and transportation expenditures	<ul style="list-style-type: none"><li>• Must spend at least \$100,000 on live performance production or infrastructure projects in Louisiana</li></ul>
LED FASTSTART™	Workforce development program: provides workforce recruitment, screening and training to new and expanding Louisiana companies at no cost	<ul style="list-style-type: none"><li>• Any manufacturing, digital media, corporate headquarters, warehouse and distribution, research and development or other strategic facility must commit to creating at least 15 jobs</li><li>• Service providers must commit to creating at least 50 jobs</li></ul>
TECHNOLOGY COMMERCIALIZATION CREDIT AND JOBS PROGRAM	Tax credit program: provides 40% refundable tax credit on costs related to the commercialization of Louisiana technology and a 6% payroll rebate for the creation of new direct jobs	<ul style="list-style-type: none"><li>• Must commercialize a technology developed in Louisiana</li><li>• Must partner with a Louisiana higher education institute or be a governmental research institution</li></ul>
MODERNIZATION TAX CREDIT	Tax credit program: provides a 5% refundable state tax credit for manufacturers modernizing or upgrading existing facilities in Louisiana	<ul style="list-style-type: none"><li>• Must improve entire facility’s or specific unit’s efficiency by 10% or more or</li><li>• Facility must be in competition for capital expenditures within a company’s established capital expenditure budget plan</li></ul>
Special Incentives for Small Businesses		
SMALL BUSINESS LOAN PROGRAM	Loan assistance program: provides up to 75% loan guarantees to facilitate capital accessibility	<ul style="list-style-type: none"><li>• Must be a Louisiana small business (as defined by SBA) -</li><li>• Must have a business plan and a bank willing to fund the loan -</li></ul>
MICRO LOAN PROGRAM	Loan assistance program: provides up to 80% loan guarantee for banks that fund loans of \$5,000 to \$50,000 to small businesses	<ul style="list-style-type: none"><li>• Must be a Louisiana small business (as defined by SBA)</li></ul>
BONDING ASSISTANCE PROGRAM	Loan assistance program: provides up to 25% loan guarantee for qualifying small contractors bidding on private or public jobs	<ul style="list-style-type: none"><li>• Must be certified in Small and Emerging Business Development Program</li></ul>
VETERAN INITIATIVE	Provides veteran-owned and disabled, service-oriented veteran-owned small businesses with greater potential for access to state procurement and public contract opportunities	<ul style="list-style-type: none"><li>• Must be a veteran or disabled, service-oriented veteran</li><li>• Must be certified by LED, a Louisiana resident and have fewer than 50 full-time employees</li></ul>
ANGEL INVESTOR TAX CREDIT	Tax credit program: provides credit up to 35% for individual investors when they invest in early stage, wealth-creating businesses	<ul style="list-style-type: none"><li>• Must have principal business operations in Louisiana</li><li>• Must have Louisiana tax identification number</li></ul>

For more information on Louisiana’s incentives visit [OpportunityLouisiana.com](http://OpportunityLouisiana.com) or call 225.342.5675.





REGION	REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION	REGIONAL HUB
1. BAYOU	South Louisiana Economic Council	Houma/Thibodaux
2. SOUTHEAST	Greater New Orleans Inc.	New Orleans
3. CAPITAL	Baton Rouge Area Chamber	Baton Rouge
4. ACADIANA	Acadiana Economic Development Council	Lafayette
5. SOUTHWEST	Southwest Louisiana Economic Development Alliance	Lake Charles
6. CENTRAL	Central Louisiana Economic Development Alliance	Alexandria
7. NORTHEAST	Northeast Louisiana Economic Alliance	Monroe
8. NORTHWEST	North Louisiana Economic Partnership	Shreveport/Bossier

1. Bayou Region

- Assumption Chamber of Commerce
- Chamber of Lafourche and the Bayou Region
- Houma-Terrebonne Chamber of Commerce
- Lafourche Parish Economic Development
- South Central Industrial Association
- St. Mary Chamber of Commerce
- St. Mary Economic Development
- St. Mary Industrial Group
- Terrebonne Economic Development Authority
- Thibodaux Chamber of Commerce

2. Southeast Region

- Jefferson Parish Economic Development Commission
- New Orleans Business Alliance
- Plaquemines Association of Business & Industry
- St. Bernard Parish Economic Development Foundation
- St. Charles Parish Department of Economic Development & Tourism
- St. James Parish Department of Economic Development
- St. John the Baptist Parish Department of Economic Development
- St. Tammany Economic Development Foundation
- Tangipahoa Economic Development Foundation
- Washington Economic Development Foundation

3. Capital Region

- Ascension Economic Development Corporation
- City of Baton Rouge/ East Baton Rouge Parish
- East Feliciana Parish Economic Development
- Greater Pointe Coupee Chamber of Commerce
- Iberville Chamber of Commerce
- Livingston Economic Development Council
- St. Helena Parish Economic Development Committee
- West Baton Rouge Chamber of Commerce
- West Feliciana Parish Community Development Foundation

4. Acadiana Region

- Crowley Chamber of Commerce
- Evangeline Parish Industrial Board
- Iberia Industrial Development Foundation
- Lafayette Economic Development Authority
- St. Landry Parish Economic Industrial Development District
- St. Martin Economic Development Authority
- Vermillion Chamber of Commerce

5. Southwest Region

- Calcasieu Parish Planning and Development
- Chennault International Airport Authority
- City of Lake Charles Planning and Economic Development Department
- DeQuincy Chamber of Commerce
- DeQuincy Economic Commission
- Greater Beauregard Chamber of Commerce
- Jeff Davis Business Alliance
- Jeff Davis Parish Office of Economic Development
- Jennings Main Street
- Kinder Louisiana Chamber of Commerce
- Lake Charles Downtown Development Authority
- Lake Charles Regional Airport
- Oakdale Area Chamber of Commerce
- Sulphur Industrial Development Board
- The Chamber/SWLA
- The Port of Lake Charles
- West Calcasieu Port, Harbor and Terminal District

6. Central Region

- Alexandria Central Economic Development District
- Alexandria/Pineville Convention and Visitors Bureau
- Alexandria Regional Port Authority
- Avoyelles Parish Port Commission
- Central Louisiana Business Incubator
- Central Louisiana Chamber of Commerce
- Concordia Economic & Industrial Development Board
- Concordia Parish Chamber of Commerce
- England Economic and Industrial Development District
- Greater Alexandria Economic Development Authority
- Greater Vernon Chamber of Commerce
- LaSalle Economic Development District
- North Rapides Business and Industry Alliance
- O.U.T.S.: Olla, Urania, Tullos, Standard Economic Development Board
- Pineville Downtown Development District
- The Rapides Foundation
- Winn Economic and Industrial District

7. Northeast Region

- Bernice Industrial Development Corporation
- Caldwell Parish Industrial Development Board
- Franklin Economic Development Foundation
- Jackson Parish Chamber of Commerce
- Jackson Parish Economic Development
- LA Delta 65 Inc.
- Lake Providence Port Commission
- Monroe Chamber of Commerce
- Morehouse Economic Development Commission

- Rayville Economic Development
- Tensas Revitalization Alliance
- Union Parish Chamber of Commerce
- West Carroll Parish Chamber of Commerce
- West Monroe-West Ouachita Chamber of Commerce

8. Northwest Region

- Arcadia/Bienville Parish Chamber of Commerce
- Bossier Chamber of Commerce
- Caddo-Bossier Port Commission
- City of Natchitoches Economic Development Commission
- Claiborne Chamber of Commerce
- DeSoto Parish Chamber of Commerce
- Greater Bossier Economic Development Foundation
- Greater Shreveport Chamber of Commerce
- Minden-South Webster Chamber of Commerce
- Natchitoches Area Chamber of Commerce
- North Webster Chamber of Commerce
- Red River Parish Chamber of Commerce
- Ruston-Lincoln Chamber of Commerce
- Sabine Parish Chamber of Commerce

In addition to working with these organizations, LED regularly works with municipalities, parishes, police juries and utilities on economic development initiatives.

- Statewide partners include:
- American Electric Power/Southwestern Electric Power Company
  - Association of Louisiana Electric Cooperatives
  - Center for Lean Excellence
  - Cleco Corp.
  - Entergy Louisiana Economic Development
  - Louisiana Association of Planning and Development Districts
  - Louisiana Business Incubation Association
  - Louisiana Industrial Development Executives Association
  - Louisiana Municipal Association
  - Louisiana Public Facilities Authority
  - Louisiana Small Business Development Center Network
  - Manufacturing Extension Partnership of Louisiana
  - Police Jury Association of Louisiana
  - Ports Association of Louisiana
  - Procurement Technical Assistance Center





# NO. 2

## FOR TAX COMPETITIVENESS

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# **HOW MUCH CAN YOUR BUSINESS SAVE IN LOUISIANA?**

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The Tax Foundation recently ranked Louisiana's state-and-local tax burden as the second lowest in the U.S. for new firms and tenth lowest for mature firms.

Find your competitive advantage at **[OpportunityLouisiana.com](https://OpportunityLouisiana.com)**.